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BEFORE THE ARIZONA CORPORATION COMMISSION  
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**COMMISSIONERS**

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AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

**DOCKETED**

FEB 07 2013

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF  
ARIZONA WATER COMPANY, AN ARIZONA  
CORPORATION, TO EXTEND ITS EXISTING  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY FOR ITS PINAL VALLEY SYSTEM,  
PINAL COUNTY, ARIZONA

**DOCKET NO. W-01445A-~~X~~05-0389**

**REQUEST FOR ADDITIONAL TIME  
FOR COMPLIANCE FILING**

On February 2, 2006, the Commission entered Decision No. 68442 (the "Decision") in the above-captioned docket. The Decision approved Arizona Water Company's (the "Company") application for an extension of its Certificate of Convenience and Necessity for its Pinal Valley system. The Decision further directed the Company to file certain items as a compliance filing within certain time frames provided in the Decision.

The extension area approved in the Decision, a map of which is attached hereto as Exhibit A, was divided into three (3) parcels. The Company has previously filed all of the compliance items for Parcels 1 and 2, in compliance with the Decision, and as confirmed in Finding of Fact No. 8, in Decision No. 72447. Decision No. 72447 extended the time for the Company to file the compliance documents for Parcel 3 to February 2, 2013.

With respect to the Decision's compliance requirements for Parcel 3, the Company is now requesting an extension of the current compliance deadline, February 2, 2013, (so extended by Decision No. 72247) for an additional two (2)-year period, until February 2, 2015. In support of its request, the Company respectfully further provides as follows:

1. As detailed above, the Company has substantially complied with the requirements of the Decision; the remaining compliance requirements concern only Parcel 3.
2. The Company is currently serving 14 customers in the expansion area approved by the Decision.
3. The deep recession and real estate crash over the past several years (essentially, the entire time that Decision No. 68442 has been in effect) are extraordinary circumstances that have not been seen since the Great Depression. The severe economic downturn that has battered the Arizona real estate market persists, and continues to delay the development of residential and mixed-use development in Arizona, including Pinal County. Therefore, even though the Company is serving, and expects to serve additional customers in the expansion area within the next few years (see paragraph 2, above, and paragraph 6, below), no one, including housing experts and economists, can say for sure when the real estate market will see a recovery of any significance.
4. The Commission's Staff observed in evaluating another water utility's request for additional time approved by the Commission in Docket No. W-01732A-05-0532 (see Finding of Fact No. 14 on page 3 of Decision No. 71861 docketed September 1, 2010, Staff response filed on May 8, 2009), "...the downturn in the economy has put a damper on much of the development in this state."
5. The Arizona Department of Water Resources ("ADWR") has approved a Physical Availability Determination (the "PAD") for an area that includes the entire expansion area. A copy of the PAD is attached hereto as Exhibit B. The PAD, as approved by ADWR, confirms the ADWR's determination that a sufficient amount

1 of groundwater is physically available for 100 years for assured water supply  
2 purposes in the PAD study area, which includes the entire extension area and that  
3 the water is of adequate quality (see Exhibit B, hereto). Therefore, the Company  
4 submits that approval of the PAD satisfies the policy objectives behind the  
5 condition of obtaining a Certificate of Assured Water Supply ("CAWS"). See,  
6 generally, Decision No. 68722 (July 30, 2007), paragraph 97. In addition,  
7 Commission Decision No. 73146, entered on May 1, 2012, entered in the Global  
8 CCN dockets, Docket No. W-01445A-06-0199, et al., is consistent with this  
9 acceptance of the PAD.

- 10  
11 6. The real property in Parcel 3 is owned by one property owner. The Company has  
12 requested a letter from the property owner, and it will be filed to supplement this  
13 request as soon as the Company receives it. It will document the property owner's  
14 continuing need and request for water service from the Company to be able to  
15 develop its property in the expansion area. The property owner letter will also  
16 confirm the owner's plans to develop its property in reliance upon water service that  
17 it plans to obtain under the Company's CCN. The continued existence of that CCN  
18 will support the slowly improving development market that has experienced historic  
19 difficulty, as detailed above, and the withdrawal of the CCN would be detrimental  
20 to that recovery.

21  
22 CONCLUSION

23  
24 The Company believes, and therefore respectfully submits that the foregoing provides  
25 sufficient support for its request for additional compliance time, and confirms the existence of  
26 extraordinary circumstances to justify its request. Therefore, the Company respectfully requests  
27 that the Commission enter an order:  
28

- 1 a. Extending the compliance deadline to February 2, 2015, under Decision No. 68442  
2 for filing the remaining compliance items for Parcel 3 in the extension area  
3 approved by the Decision.  
4  
5 b. Specifically, with respect to the CAWS requirement, confirming that, as detailed in  
6 paragraph 6, above, the Company has satisfied the CAWS compliance requirement;  
7 in the alternative, the Company respectfully requests that the compliance deadline  
8 for the CAWS filing be extended to February 2, 2015.  
9  
10 c. Providing any further relief that it deems appropriate under the circumstances of  
11 this Request.  
12

13 RESPECTFULLY SUBMITTED this 7<sup>th</sup> day of February, 2013.

14 **ARIZONA WATER COMPANY**

15  
16  
17 By: Robert W. Geake  
18 Robert W. Geake  
19 Vice President and General Counsel  
20 Arizona Water Company  
21 P. O. Box 29006  
22 Phoenix, AZ 85038-9006  
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1 Original and thirteen (13) copies of the foregoing filed this 7<sup>th</sup> day of February, 2013, with:

2 Docket Control Division  
3 Arizona Corporation Commission  
4 1200 West Washington Street  
Phoenix, Arizona 85007

5 A copy of the foregoing was hand delivered this 7<sup>th</sup> day of February, 2013, to:

6 Janice Alward, Chief Counsel  
7 Legal Division  
8 Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

9 Steven M. Olea, Director  
10 Utilities Division  
11 Arizona Corporation Commission  
12 1200 West Washington Street  
Phoenix, Arizona 85007

13 Brian Bozzo  
14 Manager, Compliance and Enforcement  
15 Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

16  
17  
18 By: Robert W. Yeake

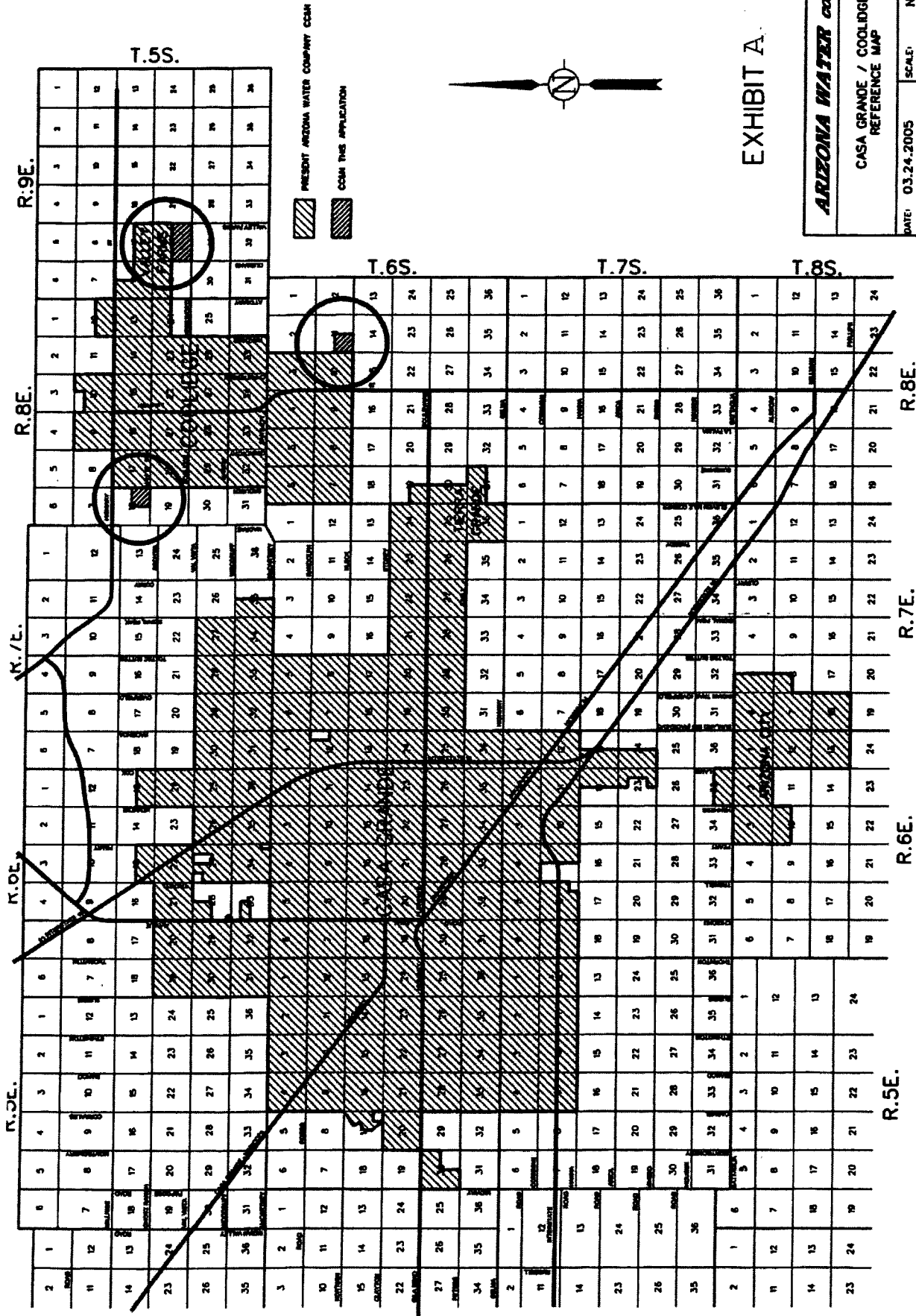


EXHIBIT A

ARIZONA WATER COMPANY			
CASA GRANDE / COOLIDGE REFERENCE MAP			
DATE:	03.24.2005	SCALE:	NONE

EXHIBIT B

JANICE K. BREWER

Governor



HERBERT R. GUENTHER

Director

ARIZONA DEPARTMENT OF WATER RESOURCES

3550 North Central Avenue, Second Floor  
PHOENIX, ARIZONA 85012-2105  
(602) 771-8500

*Via Certified Mail*

December 24, 2009

Mr. William Garfield, President  
Arizona Water Company  
3805 North Black Canyon Highway  
Phoenix, Arizona 85015

**RE: Arizona Water Company Pinal Valley Water Service Area  
Pinal County, Arizona (Pinal AMA)  
Application for a Physical Availability Determination  
ADWR #51-700444.0000**

Dear Mr. Garfield:

The Department has completed its review of your application for a Physical Availability Determination for Arizona Water Company Pinal Valley Service Area. The Department received the application on November 15, 2007. The study area locations are within Township 4 South, Range 8 East, within portion of Section 36; Township 4 South, Range 9 East, Sections 31, 32, 33; Township 5 South, Range 5 East, and portions of Sections 13, 14, 15, 16, 21 to 28 inclusive, 33, 34, 35, 36; Township 5 South, Range 6 East, Sections 13 to 36; Township 5 South, Range 7 East, Sections 12, 13, 14, 23 to 36; Township 5 South, Range 8 East, Sections 1, 2, portions of 3, 5, 6, 7 to 36 inclusive; Township 5 South, Range 9 East, Sections 4 to 10 inclusive, 15 to 22 inclusive, 27 to 36 inclusive; Township 5 South, Range 10 East, Sections 31, 32 & 33; Township 6 South, Range 3 East, Sections 10 to 16 inclusive, 21 to 28 inclusive, 33, 34, 35 & 36; Township 6 South, Range 4 East, Sections 16 to 21 inclusive, 28 to 33 inclusive portion of Sec. 36; Township 6 South, Range 5 East, Sections 1, 2, 3, 4, portion of Sec. 5, 9 to 16 inclusive, east half of Sec. 17 and 20 to 36 inclusive; Township 6 South, Range 6 East, Sections 1 to 36; Township 6 South, Range 7 East, Sections 1 to 36 inclusive; Township 6 South, Range 8 East, Sections 1 to 24 inclusive, 29, 30, 31 & 32; Township 6 South, Range 9 East, Sections 1 to 24 inclusive; Township 6 South, Range 10 East, Sections 5, 6, 7, 8, 17, 18, 19 & 20; Township 7 South, Range 3 East, Sections 1, 2, 3, 10 to 15 inclusive, 22 to 27 inclusive, 34, 35 & 36; Township 7 South, Range 4 East, Sections 1 to 36 inclusive; Township 7 South, Range 5 East, Sections 1 to 24; Township 7 South, Range 6 East, Sections 1 to 36 inclusive; Township 7 South, Range 7 East, Sections 1 to 7 inclusive, north half of Sections 8, 18, 19, 30, 21 & 32; Township 7 South, Range 8 East, Sections 5 & 6; Township 8 South, Range 6 East, Sections 1, 2, 3, 4, 9 to 16 inclusive, 21, 22, 23 & 24; Township 8 South, Range 7 East, Sections 4 to 9 inclusive, 17, 18, 19 & 20 and GSR B&M in Pinal County, Arizona.

In accordance with A.A.C. R12-15-702(D), the Department has determined that a minimum of 98,841 acre-feet per year of groundwater is physically available for 100 years under A.A.C. R12-15-716(B) for assured water supply purposes in the study area. Although you requested a volume of 103, 485 acre-feet, after a review of the hydrologic study and all issued assured water supply determinations in the study area, the Department has concluded that 98,841 acre feet is physically available.

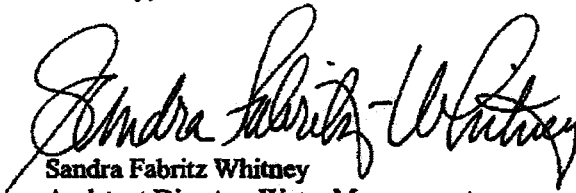
With regard to water quality for the purpose of A.A.C. R12-15-719(A), the provider you select must be regulated by the Arizona Department of Environmental Quality. With regard to water quality for the purpose of A.A.C. R12-15-719(B), the study area is not located within one mile of any known WQARF or Superfund site.

The results of the Department's review fulfill the requirements of R12-15-702(C) and may be cited in applications for determinations of assured water supply. Those applications have certain additional requirements based on the assured water supply criteria referenced in A.R.S. § 45-576 and A.A.C. R12-15-701, et seq. For further information on those requirements, please contact the Office of Assured and Adequate Water Supply at (602) 771-8599.

As with all Physical Availability Determinations issued by the Department, changes in conditions or the accuracy of assumptions and information used in demonstrating physical availability may affect the validity of this determination. Changes in the number or locations of wells may impact applicability of this determination to future applications for determinations of assured water supply.

If you have any questions regarding this Physical Availability Determination, please contact the Office of Assured & Adequate Water Supply at (602) 771-8599.

Sincerely,



Sandra Fabritz Whitney  
Assistant Director, Water Management

*Via electronic mail:*

cc: Steve Corell, [scorell@clearcreekassociates.com](mailto:scorell@clearcreekassociates.com)  
Clear Creek Associates

Steve Olea, [solea@azcc.gov](mailto:solea@azcc.gov)  
Arizona Corporation Commission

Linda Taunt, [taunt.linda@azdeq.gov](mailto:taunt.linda@azdeq.gov)  
Arizona Department of Environmental Quality